

SENATE BILL No. 432

DIGEST OF INTRODUCED BILL

Citations Affected: IC 7.1-3-3-5; IC 7.1-5-9.

Synopsis: Beer wholesaler ownership of package liquor store. Allows a beer wholesaler who sells not more than 500,000 cases of beer in a calendar year to own or have an interest in at least one package liquor store. Prohibits a beer wholesaler from transporting, selling, and delivering beer to a package liquor store the beer wholesaler owns or in which the beer wholesaler has an interest.

Effective: July 1, 2003.

Harrison

January 21, 2003, read first time and referred to Committee on Criminal, Civil and Public Policy.

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First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

SENATE BILL No. 432

A BILL FOR AN ACT to amend the Indiana Code concerning alcoholic beverages and tobacco.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 7.1-3-3-5 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 5. (a) The holder of a
3 beer wholesaler's permit may purchase and import from the primary
4 source of supply, possess, and sell at wholesale, beer and flavored malt
5 beverages manufactured within or ~~without this state.~~ **outside Indiana.**

6 (b) **Except as provided in subsection (g),** a beer wholesaler
7 permittee may possess, transport, sell, and deliver beer to:

8 (1) another beer wholesaler authorized by the brewer to sell the
9 brand purchased;

10 (2) a consumer; or

11 (3) a holder of a beer retailer's permit, beer dealer's permit,
12 temporary beer permit, dining car permit, boat permit, airplane
13 permit, supplemental caterer's permit, or supplemental retailer's
14 permit;

15 located ~~within this state.~~ **in Indiana.** The sale, transportation, and
16 delivery of beer shall be made only from inventory that has been
17 located on the wholesaler's premises before the time of invoicing and



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1 delivery.

2 (c) Delivery of beer to a consumer shall be made in barrels only
3 with the exception of the beer wholesaler's bona fide regular
4 employees, who may purchase beer from the wholesaler in bottles,
5 cans, or any other type of permissible containers in an amount not to
6 exceed forty-eight (48) pints at any one (1) time.

7 (d) The importation, transportation, possession, sale, and delivery
8 of beer shall be subject to the rules of the commission and subject to
9 the same restrictions provided in this title for a person holding a
10 brewer's permit.

11 (e) The holder of a beer wholesaler's permit may purchase, import,
12 possess, transport, sell, and deliver any commodity listed in
13 IC 7.1-3-10-5, unless prohibited by this title. However, a beer
14 wholesaler may deliver flavored malt beverages only to the holder of
15 one (1) of the following permits:

16 (1) A beer wholesaler or wine wholesaler permit, if the wholesaler
17 is authorized by the primary source of supply to sell the brand of
18 flavored malt beverage purchased.

19 (2) A wine retailer's permit, wine dealer's permit, temporary wine
20 permit, dining car wine permit, boat permit, airplane permit,
21 supplemental caterer's permit, or supplemental retailer's permit.

22 (f) A beer wholesaler may:

23 (1) store beer for an out-of-state brewer described in IC 7.1-3-2-9
24 and deliver the stored beer to another beer wholesaler that the
25 out-of-state brewer authorizes to sell the beer;

26 (2) perform all necessary accounting and auditing functions
27 associated with the services described in subdivision (1); and

28 (3) receive a fee from an out-of-state brewer for the services
29 described in subdivisions (1) through (2).

30 **(g) A beer wholesaler who sells not more than five hundred**
31 **thousand (500,000) cases of beer during a calendar year:**

32 **(1) may own or have an interest in at least one (1) package**
33 **liquor store; and**

34 **(2) may not transport, sell, and deliver beer to a package**
35 **liquor store the beer wholesaler owns or in which the beer**
36 **wholesaler has an interest.**

37 SECTION 2. IC 7.1-5-9-3 IS AMENDED TO READ AS
38 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 3. (a) This section
39 applies to a brewer that manufactures more than twenty thousand
40 (20,000) barrels of beer in a calendar year.

41 (b) **Except as provided in subsection (c),** it is unlawful for the
42 holder of a brewer's or beer wholesaler's permit to have an interest in

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a liquor permit of any type under this title.

(c) The holder of a beer wholesaler's permit who sells not more than five hundred thousand (500,000) cases of beer during a calendar year may own or have an interest in at least one (1) package liquor store permit.

SECTION 3. IC 7.1-5-9-4, AS AMENDED BY P.L.204-2001, SECTION 59, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 4. Except as provided in IC 7.1-3-3-4, **and IC 7.1-3-3-5**, an applicant for a beer wholesaler's permit shall have no interest in the following:

- (1) A permit to manufacture or to sell at retail alcoholic beverages of any kind.
- (2) Any other permit to wholesale alcoholic beverages.
- (3) Through stock ownership or otherwise, a partnership, limited liability company, or corporation that holds:
 - (A) a permit to manufacture or to sell at retail alcoholic beverages of any kind; or
 - (B) any other permit to wholesale alcoholic beverages of any kind.

SECTION 4. IC 7.1-5-9-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 9. ~~Wholesaler's Interests Limited:~~ **(a) It is unlawful for a person who has an interest in a beer wholesaler's permit to acquire, hold, own, or possess an interest of any type in a beer dealer's or retailer's permit. However, a person who:**

- (1) has an interest in a beer wholesaler's permit; and**
 - (2) sells not more than five hundred thousand (500,000) cases of beer during a calendar year;**
- may acquire, hold, own, or possess an interest in at least one (1) package liquor store permit.**

(b) It is unlawful also, for a person who has an interest in a liquor wholesaler's permit to acquire, hold, own, or possess an interest of any type in a liquor dealer's or retailer's permit.

SECTION 5. IC 7.1-5-9-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 13. ~~Certain Interests Prohibited:~~ The proprietor of a drug store, a corporation holding a distiller's or brewer's permit or a **wine or liquor** wholesaler's permit or a permit to retail or deal in alcoholic beverages, a wholesale drug company, and a person who is the proprietor of a wholesale drug company may not own or control or participate in the permit of a package liquor store, or in its business, or in its establishment. **However, a beer wholesaler who sells not more than five hundred**

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- 1 thousand (500,000) cases of beer during a calendar year:
- 2 (1) may own, control, or participate in the permit of at least
- 3 one (1) package liquor store; and
- 4 (2) may not transport, sell, and deliver beer to a package
- 5 liquor store the beer wholesaler owns or in which the beer
- 6 wholesaler has an interest.

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